

GRACE MEMO

Date: October 4, 2001

To: David W. Carickhoff, Jr., Pachulski, Stang, Ziehl, Young & Jones

From: Francine Gilbert, Finance Director - Reorganization

Re: Monthly Operating Report for U.S. Trustee

Enclosed please find a copy of the Monthly Operating Report as well as an attachment of the Federal Income Tax Returns. Please do not hesitate to contact me should you have any questions at 410/531-4283. Thank you.

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: W. R. Grace & Co., et al
Debtor

Case No. 01-01139 Jointly Administered
Reporting Period: August 2001

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (con't)	X	
Copies of bank statements		X	
Cash disbursements journals			Not available
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			Not available
Copies of Federal income tax returns filed during reporting period		X	
Summary of Unpaid Postpetition Debts	MOR-4		See Note #4
Listing of aged accounts payable			See Note #4
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date



Signature of Authorized Individual*

4 OCTOBER 2001

Date

Robert M. Tarola

Printed Name of Authorized Individual

Senior Vice President and
Chief Financial Officer

Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

W. R. Grace & Co.
Monthly Financial Report
August 31, 2001

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Monthly Operating Report

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Forward-Looking Information

This monthly financial report contains forward-looking information that involves risks and uncertainties. For such information, Grace claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from the results predicted, and reported results should not be considered as a indication of future performance. Factors that could cause actual results to differ from those contained in the forward-looking information include those factors set forth in Grace's most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q, which have been filed with the Securities Exchange Commission.

Statement of Confidentiality

The information contained in the monthly financial report contains confidential information of W. R. Grace & Co. and its subsidiaries (the "Confidential Information"). The Confidential Information has been prepared solely for information purposes and may not be disclosed to any person or entity or reproduced, disseminated or disclosed, in whole or in part, except to officers, directors, employees, and representatives of the recipient ("Representatives") or as required by applicable law or regulation. By receipt of the Confidential Information, each recipient agrees to (1) use the Confidential Information only to enhance its understanding of Grace and its businesses, and (2) inform its Representatives of the confidential nature of such information and direct them to treat such information in accordance with the terms. Each recipient agrees to be responsible for any breach of these provisions by any of its Representatives.

Monthly Operating Report

Chart 1

W.R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

August 31, 2001

	JP Morgan Chase Disbursement 9101013572	Wachovia Lockbox 8619039102	First Union Deposit Acct 2199500021812	First Union Payroll 2079900003615	First Union Money Market 8025296271	First Union Depository 2000006910969	Merrill Lynch Investment 3323735
CASH BEGINNING OF MONTH	\$ 99,882	\$ 664,849	\$ 812,887	\$ (205,345)	\$ -	\$ 3,744	\$ 35,328,263
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES					No Activity	No Activity	
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES		949,809	8,327,411				
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	180,761	1,505,071		1,825,994			36,600,000
MISCELLANEOUS				159			
TOTAL RECEIPTS	180,761	2,454,880	8,327,411	1,826,153	-	-	36,600,000
DISBURSEMENTS							
PAYROLL				923,264			
PAYROLL TAXES				672,086			
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES	201,403	2,145	214				
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		2,157,533	8,839,551				33,000,000
MISCELLANEOUS							
TOTAL DISBURSEMENTS	201,403	2,159,678	8,839,765	1,595,350	-	-	33,000,000
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(20,642)	295,202	(512,354)	30,803	-	-	3,600,000
CASH - END OF MONTH	\$ 79,240	\$ 960,051	\$ 300,533	\$ (174,542)	\$ -	\$ 3,744	\$ 38,928,263

Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 1

W.R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

August 31, 2001

	JP Morgan Chase Holding 323223141	First Union Daleen Deposit 2090002554779	First Union SBA Deposit 2090003135045	JP Morgan Chase Concentration 16001257	Fleet Bank Payroll 44967004	Bank of America Payroll 3750245235	Bank of America Payroll 8188003115
CASH BEGINNING OF MONTH	\$ 710,977	\$ -	\$ 163,725	\$ 246,840	\$ 43,923	\$ 59,982	\$ 8,154
RECEIPTS							
	No Activity				No Activity		No Activity
ACCOUNTS RECEIVABLE - THIRD PARTIES				60,404			
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES			972	3,293,199			
TRANSFERS IN - NONFILING ENTITIES				9,441,998			
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS				125,782,104			
MISCELLANEOUS		62,736					
TOTAL RECEIPTS	-	62,736	972	138,577,705	-	-	-
DISBURSEMENTS							
PAYROLL							
PAYROLL TAXES							
TRADE PAYABLES - THIRD PARTIES				587,647			
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS				10,000,000			
DIP INTEREST AND USAGE FEES				430,698			
TRANSFERS OUT - THIRD PARTIES				5,624,527			
TRANSFERS OUT - NONFILING ENTITIES				992,282			
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS				120,802,960			
MISCELLANEOUS						59,982	
TOTAL DISBURSEMENTS	-	-	-	138,438,113	-	59,982	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	62,736	972	139,592	-	(59,982)	-
CASH - END OF MONTH	\$ 710,977	\$ 62,736	\$ 164,697	\$ 386,432	\$ 43,923	\$ -	\$ 8,154

Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 1

W.R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

August 31, 2001

	Bank of America Lockbox 8188203114	First Union Concentration 2000000282172	First Union Payroll 2079900016741	First Union Petty Cash 2079900005600	Civic Bank Payroll 15502015736	Fleet Bank Payroll 51217666	First Union Libby Medical 2079900065006
CASH BEGINNING OF MONTH	\$ 1,908,828	\$ 6,121,822	\$ (278,408)	\$ 4,636	\$ 20,163	\$ (36,711)	\$ 8,062
RECEIPTS							
					No Activity	No Activity	
ACCOUNTS RECEIVABLE - THIRD PARTIES	43,558,993						
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES							
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	11,400	76,899,538	6,053,657	7,692			22,314
MISCELLANEOUS		619,960					
TOTAL RECEIPTS	43,570,393	77,519,498	6,053,657	7,692	-	-	22,314
DISBURSEMENTS							
PAYROLL			3,964,091				
PAYROLL TAXES			2,029,897				
TRADE PAYABLES - THIRD PARTIES		819,986					
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES	744,589	50,204		15,371			
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	43,075,568	77,479,489	110,011	203			
MISCELLANEOUS							
TOTAL DISBURSEMENTS	43,820,157	78,349,679	6,103,999	15,575	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(249,764)	(830,181)	(50,342)	(7,883)	-	-	22,314
CASH - END OF MONTH	\$ 1,659,064	\$ 5,291,641	\$ (328,751)	\$ (3,247)	\$ 20,163	\$ (36,711)	\$ 30,376

Note #1

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Chart 1

W.R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

August 31, 2001

	First Union Accts Payable 2079920005761	First Union Payroll 2079900067554	Wachovia Lockbox 1866-082535	First Union Accts payable 2079900005260	First Union Accts Payable 2079900005231	Allfirst Payroll 16296631	SunTrust Payroll 00000141309
CASH BEGINNING OF MONTH	\$ 5,185,721	\$ 13,239	\$ 6,946,715	\$ (2,318,039)	\$ (13,618,189)	\$ 176,987	\$ 45,000
RECEIPTS							
							No Activity
ACCOUNTS RECEIVABLE - THIRD PARTIES			34,435,827				
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES			111,213	2,207			
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	37,294,763	1,619,571		9,101,782	31,999,478	3,055,979	
MISCELLANEOUS				515	199,504		
TOTAL RECEIPTS	37,294,763	1,619,571	34,547,039	9,104,503	32,198,982	3,055,979	-
DISBURSEMENTS							
PAYROLL		1,149,016				1,875,835	
PAYROLL TAXES		490,440				1,180,144	
TRADE PAYABLES - THIRD PARTIES	41,896,396			9,335,449	19,812,216		
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES			461,030				
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	10,919,650	14,914	40,214,524				
MISCELLANEOUS							
TOTAL DISBURSEMENTS	52,816,046	1,654,370	40,675,554	9,335,449	19,812,216	3,055,979	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(15,521,283)	(34,798)	(6,128,515)	(230,946)	12,386,766	-	-
CASH - END OF MONTH	\$ (10,335,562)	\$ (21,559)	\$ 818,200	\$ (2,548,985)	\$ (1,231,423)	\$ 176,987	\$ 45,000

Note #1

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Chart 1

W.R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

August 31, 2001

	PNC 4002641360	Hibernia Natl Disbursement 101391210	Bank of America Payroll 0000 0002 2137	Allfirst Payroll 16296657	First Union Petty Cash 2040000016900	Banco de Credito Operating Acct 1931115122058	Banco de Credito Operating Acct 1931125963172
CASH BEGINNING OF MONTH	\$ 25,000	\$ 10,000	\$ 25,000	\$ 40,760	\$ 31,396	\$ 2,708	\$ 422,101
RECEIPTS							
	No Activity	No Activity	No Activity				
ACCOUNTS RECEIVABLE - THIRD PARTIES						74	96,089
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES						92,498	
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS				4,587,376			
MISCELLANEOUS					300		
TOTAL RECEIPTS	-	-	-	4,587,376	300	92,572	96,089
DISBURSEMENTS							
PAYROLL				2,751,755			
PAYROLL TAXES				1,835,621		30,701	
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES						52,413	92,703
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS							
MISCELLANEOUS						8,870	10,619
TOTAL DISBURSEMENTS	-	-	-	4,587,376	-	91,983	103,322
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-	-	300	589	(7,233)
CASH - END OF MONTH	\$ 25,000	\$ 10,000	\$ 25,000	\$ 40,760	\$ 31,696	\$ 3,297	\$ 414,868

Note #1

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Chart 1

W.R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

August 31, 2001

	Banco de Credito Time Deposit	Bank of Boston Operating Acct 0154519	Bank of Boston Operating Acct 0154424	Cash in Transit	Cash on Hand	Other
CASH BEGINNING OF MONTH	\$ -	\$ (54)	\$ 351,418	\$ 184	\$ 48,025	\$ 225,480
RECEIPTS						
	No Activity			No Activity	No Activity	
ACCOUNTS RECEIVABLE - THIRD PARTIES			181,447			
ACCOUNTS RECEIVABLE - INTERCOMPANY						
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI						
DIP BORROWINGS						
TRANSFERS IN - THIRD PARTIES						
TRANSFERS IN - NONFILING ENTITIES						
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		20,000				
MISCELLANEOUS						103,198
TOTAL RECEIPTS	-	20,000	181,447	-	-	103,198
DISBURSEMENTS						
PAYROLL		4,818				
PAYROLL TAXES						
TRADE PAYABLES - THIRD PARTIES			165,432			
TRADE PAYABLES - INTERCOMPANY						
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI						
DIP PRINCIPAL REPAYMENTS						
DIP INTEREST AND USAGE FEES						
TRANSFERS OUT - THIRD PARTIES						
TRANSFERS OUT - NONFILING ENTITIES						
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			20,000			
MISCELLANEOUS		8,718	12,065			
TOTAL DISBURSEMENTS	-	13,536	197,497	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	6,464	(16,050)	-	-	103,198
CASH - END OF MONTH	\$ -	\$ 6,410	\$ 335,368	\$ 184	\$ 48,025	\$ 328,678

Note #1

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Chart 1

W.R. Grace & Co. - Conn		
Schedule of Cash Receipts and Disbursements		
MOR-1		
August 31, 2001		
	CURRENT MONTH	
	ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 43,299,724	
RECEIPTS		
ACCOUNTS RECEIVABLE - THIRD PARTIES	78,332,834	
ACCOUNTS RECEIVABLE - INTERCOMPANY	-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI	-	
DIP BORROWINGS	-	
TRANSFERS IN - THIRD PARTIES	12,777,308	
TRANSFERS IN - NONFILING ENTITIES	9,441,998	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	336,367,482	
MISCELLANEOUS	986,372	
TOTAL RECEIPTS	437,905,994	-
DISBURSEMENTS		
PAYROLL	10,668,779	
PAYROLL TAXES	6,238,889	
TRADE PAYABLES - THIRD PARTIES	72,617,126	
TRADE PAYABLES - INTERCOMPANY	-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI	-	
DIP PRINCIPAL REPAYMENTS	10,000,000	
DIP INTEREST AND USAGE FEES	430,698	
TRANSFERS OUT - THIRD PARTIES	7,244,599	
TRANSFERS OUT - NONFILING ENTITIES	992,282	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	336,634,404	
MISCELLANEOUS	100,253	
TOTAL DISBURSEMENTS	444,927,030	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(7,021,036)	-
CASH - END OF MONTH	\$ 36,278,688	\$ -

Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 1

W.R. Grace & Co. Schedule of Cash Receipts and Disbursements MOR-1 August 31, 2001			
	JP Morgan Chase Pass Through 323881963	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	267,444	267,444	
TOTAL RECEIPTS	267,444	267,444	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	267,444	267,444	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	267,444	267,444	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Chart 1

Remedium Group, Inc. Schedule of Cash Receipts and Disbursements MOR-1 August 31, 2001					
	JP Morgan Chase Depository/Wire 323883842	JP Morgan Chase Disbursement 601831985	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ (18,744)	\$ (114,452)	\$ 24,302	\$ (108,895)	
RECEIPTS					
	No Activity		No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES				-	
ACCOUNTS RECEIVABLE - INTERCOMPANY				-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-	
DIP BORROWINGS				-	
TRANSFERS IN - THIRD PARTIES				-	
TRANSFERS IN - NONFILING ENTITIES				-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		267,444		267,444	
TOTAL RECEIPTS	-	267,444	-	267,444	-
DISBURSEMENTS					
PAYROLL				-	
PAYROLL TAXES				-	
TRADE PAYABLES - THIRD PARTIES		349,410		349,410	
TRADE PAYABLES - INTERCOMPANY				-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				-	
DIP PRINCIPAL REPAYMENTS				-	
DIP INTEREST AND USAGE FEES				-	
TRANSFERS OUT - THIRD PARTIES				-	
TRANSFERS OUT - NONFILING ENTITIES				-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS				-	
MISCELLANEOUS				-	
TOTAL DISBURSEMENTS	-	349,410	-	349,410	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	(81,966)	-	(81,966)	-
CASH - END OF MONTH	\$ (18,744)	\$ (196,418)	\$ 24,302	\$ (190,860)	\$ -

Chart 1

CC Partners			
Schedule of Cash Receipts and Disbursements			
MOR-1			
August 31, 2001			
	First Union Deposit Acct 2199500031802	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ (1,599,153)	\$ (1,599,153)	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ (1,599,153)	\$ (1,599,153)	\$ -

Chart 1

Darex Puerto Rico, Inc.					
Schedule of Cash Receipts and Disbursements					
MOR-1					
August 31, 2001					
	Citibank Operating Acct 300153011	Petty Cash	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 2,574,905	\$ 1,500	\$ (51,673)	\$ 2,524,732	
RECEIPTS					
		No Activity	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES	257,110			257,110	
ACCOUNTS RECEIVABLE - INTERCOMPANY				-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-	
DIP BORROWINGS				-	
TRANSFERS IN - THIRD PARTIES				-	
TRANSFERS IN - NONFILING ENTITIES				-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS				-	
TOTAL RECEIPTS	257,110	-	-	257,110	-
DISBURSEMENTS					
PAYROLL	9,182			9,182	
PAYROLL TAXES	3,470			3,470	
TRADE PAYABLES - THIRD PARTIES	118,167			118,167	
TRADE PAYABLES - INTERCOMPANY				-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				-	
DIP PRINCIPAL REPAYMENTS				-	
DIP INTEREST AND USAGE FEES				-	
TRANSFERS OUT - THIRD PARTIES				-	
TRANSFERS OUT - NONFILING ENTITIES				-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS				-	
MISCELLANEOUS				-	
TOTAL DISBURSEMENTS	130,818	-	-	130,818	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	126,292	-	-	126,292	-
CASH - END OF MONTH	\$ 2,701,197	\$ 1,500	\$ (51,673)	\$ 2,651,024	\$ -

Chart 1

Kootenai Development Company Schedule of Cash Receipts and Disbursements MOR-1 August 31, 2001			
	First National Bank of Montana 1049097	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 25,663	\$ 25,663	
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 25,663	\$ 25,663	\$ -

Chart 1

Dewey & Almy, LLC			
Schedule of Cash Receipts and Disbursements			
MOR-1			
August 31, 2001			
	Miscellaneous	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 1,000	\$ 1,000	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 1,000	\$ 1,000	\$ -

Chart 1

Grace Europe, Inc.			
Schedule of Cash Receipts and Disbursements			
MOR-1			
August 31, 2001			
	Barclays Bank PLC	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ (10,906)	\$ (10,906)	
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS	183	183	
TOTAL DISBURSEMENTS	183	183	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(183)	(183)	-
CASH - END OF MONTH	\$ (11,089)	\$ (11,089)	\$ -

Chart 1

Gloucester New Communities Company, Inc.
Schedule of Cash Receipts and Disbursements
MOR-1
August 31, 2001

	Cash On Hand	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 500	\$ 500	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 500	\$ 500	-

Chart 2

W. R. Grace & Co. - Conn
Bank Reconciliations
July 2001
MOR-1

	JP Morgan Chase Disbursement 9101013572		Wachovia Lockbox 8619039102		First Union Deposit Acct 2199500021812		First Union Payroll 2079900003615		First Union Money Market 8025296271	
Balance per books	\$	99,882	\$	664,848	\$	812,887	\$	(205,343)	\$	-
Bank Balance		99,882		630,834		812,887		-		-
(+) Deposits in transit								(56,838)		
(-) Outstanding checks				34,015				(148,505)		
Other										
Adjusted bank balance	\$	99,882	\$	664,849	\$	812,887	\$	(205,343)	\$	-
Deposits in Transit	Date	Amt	Date	Amt	Date	Amt	Date	Amt	Date	Amt
Outstanding Checks	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt
							101521	(6,113)		
							13480	(3,750)		
							4642	(77)		
							4870	(1,792)		
							4888	(812)		
							14085	(14,273)		
							5297	(1,125)		
							5307	(2,586)		
							5308	(1,883)		
							5356	(2,763)		
							5383	(6,617)		
							14388	(1,437)		
							14396	(1,445)		
							14397	(2,312)		
							14401	(471)		
							14402	(6,412)		
							14403	(229)		
							14407	(239)		
							14408	(1,416)		
							5629	(636)		
							5612	(262)		
							5624	(188)		
Other										
Transfers between bank accounts				34,015						
Accounting error										
Interest not recorded on books										
Bank fees not recorded on books										
Payroll tax payments not recorded								152,447		
Unreconciled bank activity								(111,268)		
Unreconciled ledger activity								(189,684)		
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Unrecorded deposit										

Chart 2

W. R. Grace & Co. - Conn
Bank Reconciliations
July 2001
MOR-1

	First Union Depository 2000006910969		Merrill Lynch Investment 3323735		JP Morgan Chase Holding 323223141		First Union Daleen Deposit 2090002554779		First Union SBA Deposit 2090003135045	
Balance per books	\$	3,744	\$	35,328,264	\$	710,977	\$	-	\$	163,725
Bank Balance		3,744		35,328,264		710,977		62,736		164,219
(+) Deposits in transit										
(-) Outstanding checks								(62,736)		(494)
Other										
Adjusted bank balance	\$	3,744	\$	35,328,264	\$	710,977	\$	-	\$	163,725
Deposits in Transit	Date	Amt	Date	Amt	Date	Amt	Date	Amt	Date	Amt
Outstanding Checks	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt
Other										
Transfers between bank accounts										
Accounting error										
Interest not recorded on books										(509)
Bank fees not recorded on books										15
Payroll tax payments not recorded										
Unreconciled bank activity										
Unreconciled ledger activity										
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Unrecorded deposit								(62,736)		

Chart 2

W. R. Grace & Co. - Conn
Bank Reconciliations
July 2001
MOR-1

	JP Morgan Chase Concentration 16001257		Fleet Bank Payroll 44987004		Bank of America Payroll 3750245235		Bank of America Payroll 8188003115		Bank of America Lockbox 8188203114	
Balance per books	\$ 246,839		\$ 43,923		\$ 59,982		\$ 8,154		\$ 1,908,827	
Bank Balance	420,902		-		60,404		8,154		1,914,407	
(+) Deposits in transit										
(-) Outstanding checks										
Other	(174,063)		43,923		(422)				(5,580)	
Adjusted bank balance	\$ 246,839		\$ 43,923		\$ 59,982		\$ 8,154		\$ 1,908,827	
Deposits in Transit	Date	Amt	Date	Amt	Date	Amt	Date	Amt	Date	Amt
Outstanding Checks	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt
Other										
Transfers between bank accounts				43,923						
Accounting error		(9,306)								
Interest not recorded on books										
Bank fees not recorded on books										
Payroll tax payments not recorded										
Unreconciled bank activity		(164,757)								
Unreconciled ledger activity						(422)				(5,580)
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Unrecorded deposit										

Chart 2

W. R. Grace & Co. - Conn
Bank Reconciliations
July 2001
MOR-1

MOR-1

	First Union Concentration 2000000282172	First Union Payroll 2079900016741	First Union Petty Cash 2079900005600	Civic Bank Payroll 15502015736	Fleet Bank Payroll 51217666					
Balance per books	\$ 6,121,822	\$ (278,408)	\$ 4,637	\$ 20,163	\$ (36,710)					
Bank Balance	4,354,933	-	-	20,163	3,544					
(+) Deposits in transit		(205,037)								
(-) Outstanding checks		(73,371)	4,637		(40,255)					
Other	1,766,889									
Adjusted bank balance	\$ 6,121,822	\$ (278,408)	\$ 4,637	\$ 20,163	\$ (36,711)					
Deposits in Transit	Date	Amt	Date	Amt	Date	Amt	Date	Amt	Date	Amt
Outstanding Checks	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt
				detail available						
		</								

Chart 2

W. R. Grace & Co. - Conn
Bank Reconciliations
July 2001
MOR-1

	First Union Libby Medical 2079900065006		First Union Accts Payable 2079920005761		First Union Payroll 2079900067554		Wachovia Lockbox 1866-082535		First Union Accts payable 2079900005280	
Balance per books	\$ 8,062		\$ 5,185,721		\$ 13,239		\$ 6,946,715		\$ (2,318,039)	
Bank Balance							5,926,818			
(+) Deposits in transit									435,999	
(-) Outstanding checks			(3,841,931)		(40,158)				(2,751,317)	
Other	8,062		9,027,652		53,397		1,019,897		(2,721)	
Adjusted bank balance	\$ 8,062		\$ 5,185,721		\$ 13,239		\$ 6,946,715		\$ (2,318,039)	
Deposits in Transit	Date	Amt	Date	Amt	Date	Amt	Date	Amt	Date	Amt
									Jun-01	435,999
Outstanding Checks	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt
				detail available		detail available			SAP	(2,748,481)
									6167	(334)
									11270	(49)
									11368	(2,393)
									11373	(450)
									11793	(602)
									8809	992

Chart 2

W. R. Grace & Co. - Conn
Bank Reconciliations
July 2001
MOR-1

	First Union Accts Payable 2079900005231		Allfirst Payroll 16298631		SunTrust Payroll 00000141309		PNC 4002641360		Hibernia Natl Disbursement 101391210	
Balance per books	\$ (13,618,188)		\$ 176,986		\$ 45,000		\$ 25,000		\$ 10,000	
Bank Balance	-		1,079,008		45,245		25,000		9,830	
(+) Deposits in transit										
(-) Outstanding checks	(2,223,162)		(121,624)		(291)					
Other	(11,395,026)		(780,398)		46				170	
Adjusted bank balance	\$ (13,618,188)		\$ 176,986		\$ 45,000		\$ 25,000		\$ 10,000	
Deposits in Transit	Date	Amt	Date	Amt	Date	Amt	Date	Amt	Date	Amt
Outstanding Checks	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt
				detail available	74,725 74,778 74,939	(84) (84) (123)				
</										

Chart 2

W. R. Grace & Co. - Conn
Bank Reconciliations
July 2001
MOR-1

	Bank of America Payroll 0000 0002 2137		Allfirst Payroll 16298657		First Union Petty Cash 2040000016900		Banco de Credito Operating Acct 1931115122058		Banco de Credito Operating Acct 1931125963172	
Balance per books	\$ 25,000		\$ 40,760		\$ 31,396		\$ 2,708		\$ 422,101	
Bank Balance	30,610		684,589		36,179		6,564		425,815	
(+) Deposits in transit										
(-) Outstanding checks	(337)		(25,741)				(1,310)		(3,730)	
Other	(5,273)		(618,088)		(4,783)		(2,547)		16	
Adjusted bank balance	\$ 25,000		\$ 40,760		\$ 31,396		\$ 2,708		\$ 422,101	
Deposits in Transit	Date	Amt	Date	Amt	Date	Amt	Date	Amt	Date	Amt
Outstanding Checks	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt	Ck. #	Amt
	40820	(337)	4434	(2,103)			2626320	(312)	2809051	(3,266)
			100316	(1,655)			2626321	(411)	2809052	(128)
			100282	(371)			2626323	(460)	2809053	(336)
			4575	(2,918)			2626324	(126)		
			4592	(693)						
			4623	(1,497)						
			4652	(9,380)						
			4658	(1,060)						
			4664	(439)						
			4665	(353)						
			4666	(353)						
			4668	(353)						
			4670	(353)						
			4671	(353)						
			4672	(353)						
			4673	(439)						
			4675	(439)						
			4678	(439)						
			4680	(439)						
			4681	(439)						
			4682	(439)						
			4683	(439)						
			4684	(439)						
Other										
Transfers between bank accounts		(5,384)		(634,181)		(8,042)		(2,562)		
Accounting error		(2)								
Interest not recorded on books										
Bank fees not recorded on books		112				8		15		16
Payroll tax payments not recorded										
Unreconciled bank activity										
Unreconciled ledger activity						(45)				
Returned item adjustment										
Payroll/other activity in transit				16,094		2,950				
Petty cash funds						1,000				
Unrecorded deposit						(655)				

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9 of 12

Chart 2

Remedium Group, Inc. Bank Reconciliations July 2001 MOR-1				
	JP Morgan Chase Pass Through 323883842		JP Morgan Chase Disbursement 601831985	
Balance per books	\$ (18,744)		\$ (114,452)	
Bank Balance				
(+) Deposits in transit				
(-) Outstanding checks			(176,643)	
Other	(18,744)		62,191	
Adjusted bank balance	\$ (18,744)		\$ (114,452)	
Deposits in Transit	Date	Amt	Date	Amt
Outstanding Checks	Ck. #	Amt	Ck. #	Amt
			2514	(60)
				(415)
				(115)
				(300)
				(16)
				(400)
				(1,245)
				(7,634)
				(2,935)
				(1,200)
				(4,165)
				(190)
				(20)
				(87)
				(27)
				(75)
				(1,151)
				(60)
				(415)
				(215)
				(823)
				(17,943)
				(184)
				(35)
				(5,701)
				(959)
				(571)
				(630)
				(41,439)
				(295)
				(2,884)
				(13,125)
				(64)
				(135)
				(3,271)
				(266)
				(886)
				(35)
				(1,715)
				(200)
				(6,536)
				(16)
				(48,720)
				(1,047)
				(338)
				(5,968)
				(745)
				(1,385)
Other				
Transfers between bank accounts		(18,744)		62,191
Accounting error				
Interest not recorded on books				
Bank fees not recorded on books				
Payroll tax payments not recorded				
Unreconciled bank activity				
Unreconciled ledger activity				
Returned item adjustment				
Payroll activity in transit				
Petty cash funds				

Chart 2

CC Partners			
Bank Reconciliations			
July 2001			
MOR-1			
	First Union Deposit Acct 2199500031802		
Balance per books	\$ (1,599,153)		
Bank Balance			
(+) Deposits in transit			
(-) Outstanding checks			
Other	(1,599,153)		
Adjusted bank balance	\$ (1,599,153)		
Deposits in Transit	Date	Amt	
Outstanding Checks	Ck. #	Amt	
Other			
Transfers between bank accounts			
Accounting error			
Interest not recorded on books			
Bank fees not recorded on books			
Payroll tax payments not recorded			
Unreconciled bank activity			
Unreconciled ledger activity			
Returned item adjustment			
Payroll activity in transit			
Petty cash funds			
		(1,599,153)	

Chart 2

Darex Puerto Rico, Inc. Bank Reconciliations July 2001 MOR-1		
	Citibank Operating Acct 300153011	
Balance per books	\$ 2,574,906	
Bank Balance	2,492,614	
(+) Deposits in transit		
(-) Outstanding checks	(119,904)	
Other	202,196	
Adjusted bank balance	\$ 2,574,906	
Deposits in Transit	Date	Amt
Outstanding Checks	Ck. #	Amt
	13767	(4,992)
	15010	(67,469)
	15035	(46,643)
	15130	(800)
Other		
Transfers between bank accounts		202,196
Accounting error		
Interest not recorded on books		
Bank fees not recorded on books		
Payroll tax payments not recorded		
Unreconciled bank activity		
Unreconciled ledger activity		
Returned item adjustment		
Payroll activity in transit		
Petty cash funds		

Chart 3

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month ended August 31, 2001

	W.R. Grace & Co. - Conn.	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.	Litigation Management, Inc.
Net sales to third parties	\$ 78,648,477	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	13,351,489	-	-	-	-	-	-
Net sales to filing entities	221,838	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	1,285,564	-	-	-	-	-	-
Interest and royalties from filing entities, net	(5,053,365)	3,717,507	658,217	19,173	843,676	-	2,602,915
Other income	(336,614)	-	-	-	-	-	-
	88,117,390	3,717,507	658,217	19,173	843,676	-	2,602,915
Cost of goods sold to third parties	47,618,996	-	-	-	-	-	-
Cost of goods sold to non-filing entities	9,261,561	-	-	-	-	-	-
Cost of goods sold to filing entities	211,476	-	-	-	-	-	-
Selling, general and administrative expenses	19,182,357	-	9,496	-	-	703	-
Research and development expenses	3,301,991	-	-	-	-	-	-
Depreciation and amortization	4,495,129	-	2,257	-	-	-	-
Interest expense	4,441,128	-	-	-	-	-	-
	88,512,638	-	11,753	-	-	703	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(395,248)	3,717,507	646,463	19,173	843,676	(703)	2,602,915
Chapter 11 reorganization expenses, net	(2,579,259)	-	-	-	-	-	-
(Provision for) benefit from income taxes	(4,719,926)	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-
Net income	\$ (7,694,434)	\$ 3,717,507	\$ 646,463	\$ 19,173	\$ 843,676	\$ (703)	\$ 2,602,915

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 3

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month ended August 31, 2001

	Grace Europe, Inc.	L B Realty, Inc.	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewife Land Corporation	Alewife Boston, Ltd.	Five Alewife Boston Ltd.
Net sales to third parties	\$ -	\$ -	\$ -	\$ 497,902	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	1,971,882	-	-	-	-
Interest and royalties from filing entities, net	-	-	(2,788,134)	-	-	-	-
Other income	-	-	-	-	-	-	-
	-	-	(816,253)	497,902	-	-	-
Cost of goods sold to third parties	-	-	-	306,930	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	10,362	-	-	-
Selling, general and administrative expenses	3,383	37,958	-	28,435	-	-	-
Research and development expenses	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	7,057	-	-	-
Interest expense	-	-	-	-	-	-	-
	3,383	37,958	-	352,784	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(3,383)	(37,958)	(816,253)	145,118	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	(46,662)	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-
Net income	\$ (3,383)	\$ (37,958)	\$ (862,915)	\$ 145,118	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 3

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month ended August 31, 2001

	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-
Net income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 3

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month ended August 31, 2001

	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern oil, Resin & Fiberglass, Inc.	Guanica-Cariba Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-
Net income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 3

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month ended August 31, 2001

	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-
Net income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 3

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month ended August 31, 2001

	Ecarg, Inc.	W.R. Grace Land Corporation	G C Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-
Net income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 3

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month ended August 31, 2001

	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.	Grace Energy Corporation
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-
Net income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 3

W. R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month ended August 31, 2001

	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.	Coalgrace II, Inc.	Gracecoat II, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-
Net income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 3

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month ended August 31, 2001

	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	(221,838)
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	12
Other income	-	-	-	-	-	-	-
	-	-	-	-	-	-	(221,826)
Cost of goods sold to third parties	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	(221,838)
Selling, general and administrative expenses	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
	-	-	-	-	-	-	(221,838)
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	12
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-
Net income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 3

W.R. Grace & Co. - Chapter 11 Filing Entities Combining Statement of Operations MOR - 2 Month ended August 31, 2001		
	Conversion to Equity Method	COMBINED FILING ENTITIES
Net sales to third parties	\$ -	\$ 79,146,379
Net sales to non-filing entities	-	13,351,489
Net sales to filing entities	-	-
Interest and royalties from non-filing entities, net	-	3,257,446
Interest and royalties from filing entities, net	-	-
Other income	-	(336,614)
	-	95,418,700
Cost of goods sold to third parties	-	47,925,925
Cost of goods sold to non-filing entities	-	9,261,561
Cost of goods sold to filing entities	-	-
Selling, general and administrative expenses	-	19,262,332
Research and development expenses	-	3,301,991
Depreciation and amortization	-	4,504,443
Interest expense	-	4,441,128
	-	88,697,381
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	6,721,319
Chapter 11 reorganization expenses, net	-	(2,579,259)
(Provision for) benefit from income taxes	-	(4,766,589)
Minority interest in income of subsidiary	-	-
Equity in net income of non-filing entities	6,927,480	6,927,480
Net income	\$ 6,927,480	\$ 6,302,952

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

Chart 4

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
MOR - 3
August 31, 2001

	W.R. Grace & Co. - Conn	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.	Litigation Management, Inc.
ASSETS							
Current Assets							
Cash and cash equivalents	\$ 36,278,689	\$ -	\$ (190,860)	\$ -	\$ (1,599,153)	\$ -	\$ -
Notes and accounts receivable, net	181,003,811	-	75,680	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	260,047,382	(388,254,836)	3,131,837	12,985,088	(27,788,484)	(8,883,701)	(411,926,080)
Inventories	94,867,607	-	-	-	-	-	-
Deferred income taxes	35,044,087	-	4,448,988	-	-	-	-
Asbestos-related insurance expected to be realized within one year	5,525,853	-	-	-	-	-	-
Other current assets	23,231,382	-	-	-	-	-	-
Total Current Assets	635,998,811	(388,254,836)	7,465,645	12,985,088	(29,387,636)	(8,883,701)	(411,926,080)
Properties and equipment, net	384,542,562	-	514,636	-	-	-	-
Goodwill, net	13,724,422	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	77,320,801	-	-	-	-	-	-
Deferred income taxes	662,817,559	-	45,020,665	-	-	-	-
Asbestos-related insurance expected to be realized after one year	296,803,945	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(962,598,236)	739,677,352	117,464,751	4,284,692	184,695,275	-	440,309,353
Investment in filing and non-filing entities	773,152,181	241,512,111	-	-	-	-	-
Other assets	311,650,050	-	-	-	-	-	-
Total Assets	\$ 2,193,412,096	\$ 592,934,627	\$ 170,465,696	\$ 17,269,780	\$ 155,307,639	\$ (8,883,701)	\$ 28,383,274
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)							
Liabilities Not Subject to Compromise							
Current Liabilities							
Short-term debt	17	-	-	-	-	-	-
Accounts payable	\$ 34,544,396	\$ -	\$ 631,642	\$ (628,835)	\$ -	\$ -	\$ -
Income taxes payable	-	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-	-
Other current liabilities	65,356,984	-	11,884,144	(11,868,611)	30,671,114	12,993	-
Total Current Liabilities	99,901,396	-	12,515,786	(12,497,446)	30,671,114	12,993	-
Long-term debt - DIP facility	50,000,000	-	-	-	-	-	-
Deferred income taxes	215,447,326	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-	-
Other liabilities	27,666,098	0	128,630,471	(128,630,471)	-	-	-
Total Liabilities Not Subject to Compromise	393,014,820	0	141,146,258	(141,127,917)	30,671,114	12,993	-
Liabilities Subject to Compromise							
Debt, pre-petition plus accrued interest	521,082,053	-	-	-	-	-	-
Accounts payable	33,287,071	-	-	628,835	-	-	-
Income taxes payable	190,657,835	7,901,095	386,418	(1,509)	-	(106,377)	5,466,121
Asbestos-related liability	999,201,611	-	-	-	-	-	-
Other liabilities	387,017,690	188,091	-	140,499,082	-	-	-
Total Liabilities Subject to Compromise	2,131,246,260	8,089,186	386,418	141,126,409	-	(106,377)	5,466,121
Total Liabilities	2,524,261,079	8,089,186	141,532,676	(1,509)	30,671,114	(93,384)	5,466,121
Shareholders' Equity (Deficit)							
Preferred Stock	-	-	-	-	-	-	112
Common Stock	84,469,000	768,991	12,223	1,000	-	1,000	1,000
Paid in capital	142,339,878	429,195,998	9,724,449	34,052,467	56,011,577	-	(29,267,410)
(Accumulated deficit)/Retained earnings	(487,469,475)	291,307,053	19,196,349	(16,782,178)	68,624,948	(8,791,317)	52,183,450
Treasury stock, at cost	-	(136,426,701)	-	-	-	-	-
Consolidation of Investments	(11,620,367)	-	-	-	-	-	-
Cumulative Translation Adjustments	(58,568,018)	-	-	-	-	-	-
Deferred compensation trust	-	100	-	-	-	-	-
Total Shareholders' Equity (Deficit)	(330,848,983)	584,845,440	28,933,021	17,271,288	124,636,525	(8,790,317)	22,917,153
Total Liabilities and Shareholders' Equity (Deficit)	\$ 2,193,412,097	\$ 592,934,627	\$ 170,465,696	\$ 17,269,780	\$ 155,307,639	\$ (8,883,701)	\$ 28,383,274

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 4

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
MOR - 3
August 31, 2001

	Grace Europe, Inc.	L B Realty, Inc.	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewite Land Corporation	Alewite Boston Ltd.	Five Alewite Boston Ltd.
ASSETS							
Current Assets							
Cash and cash equivalents	\$ (11,089)	\$ -	\$ -	\$ 2,651,024	\$ -	\$ -	\$ -
Notes and accounts receivable, net	73,421	-	-	2,751,346	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	5,690,361	140,487,055	(55,104,888)	(1,618,440)	(4,893,237)	(2,143,370)	-
Inventories	(0)	-	-	123,151	-	-	-
Deferred income taxes	63,809	-	-	17,655	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-	-
Other current assets	-	-	-	2,219	-	-	-
Total Current Assets	5,816,502	140,487,055	(55,104,888)	3,926,955	(4,893,237)	(2,143,370)	-
Properties and equipment, net	-	-	-	836,115	-	-	-
Goodwill, net	-	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-	-
Deferred income taxes	38,161	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(3,424,871)	-	(69,807,214)	-	-	-	-
Investment in filing and non-filing entities	-	-	58,669,464	-	-	-	-
Other assets	54,000	-	-	152,818	874,424	-	-
Total Assets	\$ 2,483,792	\$ 140,487,055	\$ (66,242,637)	\$ 4,915,888	\$ (4,018,813)	\$ (2,143,370)	\$ -
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)							
Liabilities Not Subject to Compromise							
Current Liabilities							
Short-term debt	(328)	-	-	-	-	-	-
Accounts payable	\$ 19,738	\$ -	\$ -	\$ 498,304	\$ -	\$ -	\$ -
Income taxes payable	-	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-	-
Other current liabilities	520,073	(5,613)	-	127,183	-	-	(30,671,114)
Total Current Liabilities	539,483	(5,613)	-	625,488	-	-	(30,671,114)
Long-term debt - DIP facility	-	-	-	-	-	-	-
Deferred income taxes	0	-	-	127,286	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	539,483	(5,613)	-	752,774	-	-	(30,671,114)
Liabilities Subject to Compromise							
Debt, pre-petition plus accrued interest	-	-	-	-	-	-	-
Accounts payable	(561,817)	(28,615)	(1,747,874)	216,780	-	-	-
Income taxes payable	-	-	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-	-	30,671,114
Other liabilities	-	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(561,817)	(28,615)	(1,747,874)	216,780	-	-	30,671,114
Total Liabilities	(22,334)	(34,228)	(1,747,874)	969,554	-	-	-
Shareholders' Equity (Deficit)							
Preferred Stock	-	-	-	-	-	-	-
Common Stock	1,000	-	1,000	1,000	200	-	-
Paid in capital	-	25,358,993	27,697,489	-	274,606	-	-
(Accumulated deficit)/Retained earnings	(453,726)	115,162,290	(28,335,953)	3,945,335	(4,293,619)	(2,143,370)	-
Treasury stock, at cost	-	-	-	-	-	-	-
Consolidation of Investments	-	-	-	-	-	-	-
Cumulative Translation Adjustments	2,958,852	-	(63,857,299)	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	2,506,126	140,521,283	(64,494,763)	3,946,335	(4,018,813)	(2,143,370)	-
Total Liabilities and Shareholders' Equity (Deficit)	\$ 2,483,792	\$ 140,487,055	\$ (66,242,637)	\$ 4,915,888	\$ (4,018,813)	\$ (2,143,370)	\$ -

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 4

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
MOR - 3
August 31, 2001

	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.
ASSETS							
Current Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 25,663	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(57,817,172)	-	-	(130)	-	(26,718,257)	57,347,191
Inventories	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-	-
Other current assets	-	-	-	-	5,994	-	-
Total Current Assets	(57,817,172)	-	-	(130)	31,657	(26,718,257)	57,347,191
Properties and equipment, net	-	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-	-
Investment in filing and non-filing entities	34,053,467	54,500,000	54,500,000	56,011,577	-	-	-
Other assets	-	-	-	-	4,120,388	-	-
Total Assets	\$ (23,763,706)	\$ 54,500,000	\$ 54,500,000	\$ 56,011,447	\$ 4,152,045	\$ (26,718,257)	\$ 57,347,191
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)							
Liabilities Not Subject to Compromise							
Current Liabilities							
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	1,300,000	5,000	-
Total Current Liabilities	-	-	-	-	1,300,000	5,000	-
Long-term debt - DIP facility	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	1,300,000	5,000	-
Liabilities Subject to Compromise							
Debt, pre-petition plus accrued interest	-	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	-
Income taxes payable	-	-	-	(130)	-	(104,430)	10,346,794
Asbestos-related liability	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total Liabilities Subject to Compromise	-	-	-	(130)	-	(104,430)	10,346,794
Total Liabilities	-	-	-	(130)	1,300,000	(99,430)	10,346,794
Shareholders' Equity (Deficit)							
Preferred Stock	-	-	-	-	-	-	-
Common Stock	931,540	1	130	130	-	-	-
Paid in capital	9,408,460	54,499,999	54,499,870	54,499,870	2,852,045	859,233	3,671,658
(Accumulated deficit)/Retained earnings	(34,103,706)	-	-	1,511,577	-	(27,478,060)	43,427,950
Treasury stock, at cost	-	-	-	-	-	-	-
Consolidation of Investments	-	-	-	-	-	-	-
Cumulative Translation Adjustments	-	-	-	-	-	-	(99,212)
Deferred compensation trust	-	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	(23,763,706)	54,500,000	54,500,000	56,011,577	2,852,045	(26,618,827)	47,000,396
Total Liabilities and Shareholders' Equity (Deficit)	\$ (23,763,706)	\$ 54,500,000	\$ 54,500,000	\$ 56,011,447	\$ 4,152,045	\$ (26,718,257)	\$ 57,347,191

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 4

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
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	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern Oil, Resin & Fiberglass, Inc.	Guanica-Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.
ASSETS							
Current Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(7,288,586)	-	-	5,824,394	(102,989)	(1,118,993)	10,284,534
Inventories	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	-
Total Current Assets	(7,288,586)	-	-	5,824,394	(101,989)	(1,118,993)	10,284,534
Properties and equipment, net	-	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	94,022	-	-
Other assets	-	-	-	-	-	-	-
Total Assets	\$ (7,288,586)	\$ -	\$ -	\$ 5,824,394	\$ (7,966)	\$ (1,118,993)	\$ 10,284,534
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)							
Liabilities Not Subject to Compromise							
Current Liabilities							
Short-term debt	-	-	-	-	-	-	-
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 268	\$ -	\$ -
Income taxes payable	-	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-	3
Other current liabilities	(187,301)	-	-	-	-	-	-
Total Current Liabilities	(187,301)	-	-	-	268	-	3
Long-term debt - DIP facility	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	(187,301)	-	-	-	268	-	3
Liabilities Subject to Compromise							
Debt, pre-petition plus accrued interest	-	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	-
Income taxes payable	-	-	-	-	(268)	-	(150)
Asbestos-related liability	-	-	-	-	-	-	-
Other liabilities	182,311	-	-	-	-	-	-
Total Liabilities Subject to Compromise	182,311	-	-	-	(268)	-	(150)
Total Liabilities	(4,990)	-	-	-	-	-	(147)
Shareholders' Equity (Deficit)							
Preferred Stock	-	-	-	-	-	-	-
Common Stock	5,150	-	-	1,000	2,000	29,000	1,000
Paid in capital	5,144,850	-	-	5,823,446	-	-	3,136,087
(Accumulated deficit)/Retained earnings	(12,433,596)	-	-	(52)	(9,966)	(1,147,993)	7,147,595
Treasury stock, at cost	-	-	-	-	-	-	-
Consolidation of Investments	-	-	-	-	-	-	-
Cumulative Translation Adjustments	-	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	(7,283,596)	-	-	5,824,394	(7,966)	(1,118,993)	10,284,682
Total Liabilities and Shareholders' Equity (Deficit)	\$ (7,288,586)	\$ -	\$ -	\$ 5,824,394	\$ (7,966)	\$ (1,118,993)	\$ 10,284,534

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 4

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
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	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation
ASSETS							
Current Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	740	(2,417,464)	(26,312,455)	(5,132,274)	(3,350,524)	(2,509,639)	950
Inventories	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	-
Total Current Assets	740	(2,417,464)	(26,312,455)	(5,132,274)	(3,350,524)	(2,509,639)	950
Properties and equipment, net	-	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
Total Assets	\$ 740	\$ (2,417,464)	\$ (26,312,455)	\$ (5,132,274)	\$ (3,350,524)	\$ (2,509,639)	\$ 950
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)							
Liabilities Not Subject to Compromise							
Current Liabilities							
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-	-
Liabilities Subject to Compromise							
Debt, pre-petition plus accrued interest	-	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	-
Income taxes payable	(150)	(200)	-	(159)	-	-	-
Asbestos-related liability	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(150)	(200)	-	(159)	-	-	-
Total Liabilities	(150)	(200)	-	(159)	-	-	-
Shareholders' Equity (Deficit)							
Preferred Stock	-	-	-	-	-	-	-
Common Stock	1,000	26,000	-	-	1,000	1,000	1,000
Paid in capital	-	9,988,414	-	-	-	-	-
(Accumulated deficit)/Retained earnings	(110)	(12,431,678)	(26,312,455)	(5,132,115)	(3,351,524)	(2,510,639)	(50)
Treasury stock, at cost	-	-	-	-	-	-	-
Consolidation of Investments	-	-	-	-	-	-	-
Cumulative Translation Adjustments	-	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	890	(2,417,264)	(26,312,455)	(5,132,115)	(3,350,524)	(2,509,639)	950
Total Liabilities and Shareholders' Equity (Deficit)	\$ 740	\$ (2,417,464)	\$ (26,312,455)	\$ (5,132,274)	\$ (3,350,524)	\$ (2,509,639)	\$ 950

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 4

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
MOR - 3
August 31, 2001

	Ecarg, Inc.	W.R. Grace Land Corporation	G C Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.
ASSETS							
Current Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Notes and accounts receivable, net	-	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(1,230,598)	36,709,107	25,045	(72,951)	(12,559,268)	174,205	(19,464,242)
Inventories	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	-
Total Current Assets	(1,230,598)	36,709,107	25,045	(72,951)	(12,559,268)	174,205	(19,463,742)
Properties and equipment, net	1,184,871	-	-	-	-	438,445	-
Goodwill, net	-	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-	-
Investment in filing and non-filing entities	-	6,284,806	-	-	-	-	-
Other assets	-	-	-	-	-	-	4,066
Total Assets	\$ (45,727)	\$ 42,993,913	\$ 25,045	\$ (72,951)	\$ (12,559,268)	\$ 612,650	\$ (19,459,676)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)							
Liabilities Not Subject to Compromise							
Current Liabilities							
Short-term debt	-	-	-	-	-	-	-
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,066
Income taxes payable	-	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	199	-
Total Current Liabilities	-	-	-	-	-	199	4,066
Long-term debt - DIP facility	(438,134)	-	-	-	-	438,134	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	(438,134)	-	-	-	-	438,333	4,066
Liabilities Subject to Compromise							
Debt, pre-petition plus accrued interest	438,134	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	-
Income taxes payable	(15)	(29)	-	-	(15)	-	-
Asbestos-related liability	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total Liabilities Subject to Compromise	438,119	(29)	-	-	(15)	-	-
Total Liabilities	(15)	(29)	-	-	(15)	438,333	4,066
Shareholders' Equity (Deficit)							
Preferred Stock	-	-	-	-	-	-	-
Common Stock	50	5,000	-	1,000	85,539	1,000	5,000
Paid in capital	50	19,577,160	-	-	6,541,055	4,000	6,000,000
(Accumulated deficit)/Retained earnings	(45,812)	23,411,782	25,045	(73,951)	(19,185,847)	169,317	(25,468,742)
Treasury stock, at cost	-	-	-	-	-	-	-
Consolidation of Investments	-	-	-	-	-	-	-
Cumulative Translation Adjustments	-	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	(45,712)	42,993,942	25,045	(72,951)	(12,559,253)	174,317	(19,463,742)
Total Liabilities and Shareholders' Equity (Deficit)	\$ (45,727)	\$ 42,993,913	\$ 25,045	\$ (72,951)	\$ (12,559,268)	\$ 612,650	\$ (19,459,676)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 4

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
MOR - 3
August 31, 2001

	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.	Grace Energy Corporation
ASSETS							
Current Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	23,479,958	6,345,651	810,500	(59,581,272)	(25)	(86,611)	352,712,818
Inventories	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	-
Total Current Assets	23,479,958	6,345,651	810,500	(59,581,272)	(25)	(86,611)	352,712,818
Properties and equipment, net	-	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-	(35,903,123)
Investment in filing and non-filing entities	-	-	-	-	-	-	187,272,210
Other assets	-	-	-	-	-	-	-
Total Assets	\$ 23,479,958	\$ 6,345,651	\$ 810,500	\$ (59,581,272)	\$ (25)	\$ (86,611)	\$ 504,081,905
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)							
Liabilities Not Subject to Compromise							
Current Liabilities							
Short-term debt	-	-	-	-	-	-	-
Accounts payable	\$ -	\$ -	\$ (317,002)	\$ -	\$ -	\$ -	\$ -
Income taxes payable	-	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-
Total Current Liabilities	-	-	(317,002)	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	(317,002)	-	-	-	-
Liabilities Subject to Compromise							
Debt, pre-petition plus accrued interest	-	-	-	-	-	-	-
Accounts payable	-	-	317,002	-	-	-	-
Income taxes payable	(190)	(10)	(100)	(40)	(25)	-	-
Asbestos-related liability	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(190)	(10)	316,902	(40)	(25)	-	-
Total Liabilities	(190)	(10)	(100)	(40)	(25)	-	-
Shareholders' Equity (Deficit)							
Preferred Stock	-	-	-	-	-	-	-
Common Stock	1,090,000	1,000	1,000	303,000	-	-	1,000
Paid in capital	33,631,999	18,090,032	-	37,765,000	-	1,900,000	451,425,156
(Accumulated deficit)/Retained earnings	(11,241,851)	(11,745,371)	809,600	(97,649,232)	-	(1,986,611)	52,655,749
Treasury stock, at cost	-	-	-	-	-	-	-
Consolidation of Investments	-	-	-	-	-	-	-
Cumulative Translation Adjustments	-	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	23,480,148	6,345,661	810,600	(59,581,232)	-	(86,611)	504,081,905
Total Liabilities and Shareholders' Equity (Deficit)	\$ 23,479,958	\$ 6,345,651	\$ 810,500	\$ (59,581,272)	\$ (25)	\$ (86,611)	\$ 504,081,905

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 4

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
MOR - 3
August 31, 2001

	GEC Management Corporation	Grace Offshore Company	Coalgrace, inc.	Grace A-B II Inc.	Grace H-G II Inc.	Coalgrace II, Inc.	Gracoal II, Inc.
ASSETS							
Current Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	4,384,412	(15,750,664)	5,297,199	875,669	(5,054)	108,440	130,478,418
Inventories	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	-
Total Current Assets	4,384,412	(15,750,664)	5,297,199	875,669	(5,054)	108,440	130,478,418
Properties and equipment, net	-	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(14,135,725)	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
Total Assets	\$ (9,751,313)	\$ (15,750,664)	\$ 5,297,199	\$ 875,669	\$ (5,054)	\$ 108,440	\$ 130,478,418
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)							
Liabilities Not Subject to Compromise							
Current Liabilities							
Short-term debt	-	-	-	-	-	-	-
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes payable	-	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-	-
Other current liabilities	(5,310)	-	-	-	-	-	-
Total Current Liabilities	(5,310)	-	-	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	29,290,346
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	(5,310)	-	-	-	-	-	29,290,346
Liabilities Subject to Compromise							
Debt, pre-petition plus accrued interest	-	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total Liabilities Subject to Compromise	-	-	-	-	-	-	-
Total Liabilities	(5,310)	-	-	-	-	-	29,290,346
Shareholders' Equity (Deficit)							
Preferred Stock	-	-	-	-	-	-	-
Common Stock	1,000	(114,960)	100	1,000	1,000	1,000	1,000
Paid in capital	(2,089,027)	34,215,000	-	-	-	-	30,293,750
(Accumulated deficit)/Retained earnings	(7,657,976)	(49,850,704)	5,297,099	874,669	(6,054)	107,440	70,893,322
Treasury stock, at cost	-	-	-	-	-	-	-
Consolidation of Investments	-	-	-	-	-	-	-
Cumulative Translation Adjustments	-	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	(9,746,003)	(15,750,664)	5,297,199	875,669	(5,054)	108,440	101,188,072
Total Liabilities and Shareholders' Equity (Deficit)	\$ (9,751,313)	\$ (15,750,664)	\$ 5,297,199	\$ 875,669	\$ (5,054)	\$ 108,440	\$ 130,478,418

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 4

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

August 31, 2001

	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities
ASSETS							
Current Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	145,501,916	(81,114,688)	47,407,906	-	-	-	-
Inventories	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	-
Total Current Assets	145,501,916	(81,114,688)	47,407,906	-	-	-	-
Properties and equipment, net	-	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-	(1,298,732,757)
Investment in filing and non-filing entities	-	-	-	-	-	-	(2,852,045)
Other assets	-	-	-	-	-	-	-
Total Assets	\$ 145,501,916	\$ (81,114,688)	\$ 47,407,906	\$ -	\$ -	\$ -	\$ (1,301,584,802)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)							
Liabilities Not Subject to Compromise							
Current Liabilities							
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-	-
Deferred income taxes	29,290,346	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	29,290,346	-	-	-	-	-	-
Liabilities Subject to Compromise							
Debt, pre-petition plus accrued interest	-	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	-
Income taxes payable	-	(55)	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total Liabilities Subject to Compromise	-	(55)	-	-	-	-	-
Total Liabilities	29,290,346	(55)	-	-	-	-	-
Shareholders' Equity (Deficit)							
Preferred Stock	-	-	-	-	-	-	-
Common Stock	100	124,473	1,000	-	-	-	(86,994,000)
Paid in capital	13,880,108	51,173,713	7,308,934	-	-	-	(1,176,650,763)
(Accumulated deficit)/Retained earnings	102,331,362	(132,412,819)	40,097,972	-	-	-	(37,940,039)
Treasury stock, at cost	-	-	-	-	-	-	-
Consolidation of Investments	-	-	-	-	-	-	-
Cumulative Translation Adjustments	-	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	116,211,570	(81,114,633)	47,407,906	-	-	-	(1,301,584,802)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 145,501,916	\$ (81,114,688)	\$ 47,407,906	\$ -	\$ -	\$ -	\$ (1,301,584,802)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 4

W.R. Grace & Co. - Chapter 11 Filing Entities Combining Balance Sheet MOR - 3 August 31, 2001			
	Conversion to Equity Method	Reporting Reclassifies	COMBINED FILING ENTITIES
ASSETS			
Current Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 37,155,774
Notes and accounts receivable, net	-	-	183,904,257
Receivables from/(payables to) filing and non-filing entities, net	-	-	26,863,885
Inventories	-	-	94,990,758
Deferred income taxes	-	(13,224,550)	26,349,989
Asbestos-related insurance expected to be realized within one year	-	-	5,525,853
Other current assets	-	-	23,239,596
Total Current Assets	-	(13,224,550)	398,030,112
Properties and equipment, net	-	-	387,516,630
Goodwill, net	-	-	13,724,422
Cash value of company owned life insurance, net of policy loans	-	-	77,320,801
Deferred income taxes	-	(274,155,304)	433,721,080
Asbestos-related insurance expected to be realized after one year	-	-	296,803,945
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	400,562,255
Investment in filing and non-filing entities	(29,392,762)	-	137,924,318
Other assets	-	-	314,003,701
Total Assets	\$ (29,392,762)	\$ (287,379,854)	\$ 2,459,607,266
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Liabilities Not Subject to Compromise			
Current Liabilities			
Short-term debt	-	-	(311)
Accounts payable	\$ -	\$ -	\$ 34,752,309
Income taxes payable	-	-	268
Asbestos-related liability expected to be disbursed within one year	-	-	-
Other current liabilities	-	(13,224,550)	53,915,193
Total Current Liabilities	-	(13,224,550)	88,667,460
Long-term debt - DIP facility	-	-	50,000,000
Deferred income taxes	-	(274,155,304)	-
Asbestos-related liability expected to be disbursed after one year	-	-	-
Other liabilities	-	-	27,666,098
Total Liabilities Not Subject to Compromise	-	(287,379,854)	166,333,558
Liabilities Subject to Compromise			
Debt, pre-petition plus accrued interest	-	-	521,520,187
Accounts payable	-	-	34,232,908
Income taxes payable	-	-	212,422,885
Asbestos-related liability	-	-	999,201,611
Other liabilities	-	-	558,558,288
Total Liabilities Subject to Compromise	-	-	2,325,935,879
Total Liabilities	-	(287,379,854)	2,492,269,437
Shareholders' Equity (Deficit)			
Preferred Stock	-	-	112
Common Stock	-	-	771,667
Paid in capital	-	-	432,838,143
(Accumulated deficit)/Retained earnings	2,150,101	-	(167,116,585)
Treasury stock, at cost	-	-	(136,426,701)
Consolidation of Investments	(40,407)	-	(11,660,774)
Cumulative Translation Adjustments	(31,502,456)	-	(151,068,133)
Deferred compensation trust	-	-	100
Total Shareholders' Equity (Deficit)	(29,392,762)	-	(32,662,171)
Total Liabilities and Shareholders' Equity (Deficit)	\$ (29,392,762)	\$ (287,379,854)	\$ 2,459,607,266

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 5

W. R. Grace & Co. - Conn Status of Postpetition Taxes MOR-4 August 2001				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ 545,000	\$ 2,920,560	\$ (2,920,347)	\$ 545,212
FICA - Employee	(43,134)	1,273,564	(1,257,295)	(26,866)
FICA and payroll- Employer	(93,591)	1,139,167	(1,490,149)	(444,573)
Unemployment	-	12,729	(12,729)	-
Other				
Total Federal Taxes	\$ 408,275	\$ 5,346,019	\$ (5,680,521)	\$ 73,773
State and Local				
Withholding	\$ 12,405	\$ 999,691	\$ (992,719)	\$ 19,377
Sales & Use	2,339,274	576,697	(1,246,257)	1,669,714
Property Taxes	3,432,353	(126,524)	(81,984)	3,223,845
Other	-	(473,309)	473,309	-
Total State and Local	\$ 5,784,032	\$ 976,555	\$ (1,847,652)	\$ 4,912,935
Total Taxes	\$ 6,192,307	\$ 6,322,574	\$ (7,528,172)	\$ 4,986,709

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.